

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

CHOICE HOTELS INTERNATIONAL, INC.,
a Delaware corporation,
915 Meeting St., Suite 600
North Bethesda, MD 20852

Plaintiff,

v.

Case No.: _____

KHAN HOTEL SD, LLC,
a South Dakota limited liability company
608 E 2nd St.
Gillette, WY 82716
SERVE: Muhammad Khan, Registered Agent
333 E. Hart St.
Buffalo, WY 82834

and

MUHAMMAD ZUBAIR KHAN, individually
333 E. Hart St.
Buffalo, WY 82834

Defendants

COMPLAINT FOR CONFESED JUDGMENT

Plaintiff Choice Hotels International, Inc. ("Choice"), by and through its attorney, Zachary E. Berge, Esq., sues and confesses judgment against Defendants Khan Hotel SD, LLC and Muhammad Zubair Khan ("Defendants"), and as grounds for its action states as follows:

1. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1332(a)(1), this being an action between citizens of different states and the amount in controversy being in excess of \$75,000.00, exclusive of interest and costs. The Court has jurisdiction over Defendants pursuant to 28 U.S.C. §1332(a)(1) and Ann. Code Md., C.J., §6-103(b)(1), Defendants having

transacted business in Maryland with Choice. Venue is proper in the District of Maryland pursuant to 28 U.S.C. §1391(b).

2. Choice is incorporated in the State of Delaware and has its principal place of business at 915 Meeting St., Suite 600, North Bethesda, MD 20852.

3. Defendant Khan Hotel SD, LLC is limited liability company organized under South Dakota law with its principal place of business in Gillette, WY. Based upon information, knowledge, and belief, Defendant Khan Hotel SD, LLC has no place of business in Maryland or Delaware. Based upon information, knowledge, and belief, Defendant Khan Hotel SD, LLC is wholly owned by Defendant Muhammad Zubair Khan.

4. Defendant Muhammad Zubair Khan is an individual who at all times relevant to these proceedings was and is currently a citizen of and is domiciled in the State of Wyoming. Based upon information, knowledge, and belief, Defendant Muhammad Zubair Khan is neither employed in nor resides in either the State of Maryland or the State of Delaware.

5. On or about September 18, 2024, Choice and Defendants entered into a Termination and Release Agreement in connection with monies owed to Choice by Defendants pursuant to a franchise agreement between the parties (the "TRA"). A copy of the TRA is attached as Exhibit 1.

6. Defendants also executed a promissory note in the principal amount of \$350,000.00 (the "Agreed Amount") as part of the TRA (the "Note"). A copy of the Note is attached as Exhibit 2.

7. Under the terms of the TRA and Note, if Defendants paid Plaintiff the Agreed Amount by making an initial payment of \$250,000.00 at the time of execution of the TRA and by making a final payment in the amount of \$1000,000.00 within 30 days thereafter, then

Choice would mark the Note “paid” and return it to Defendants.

8. Defendants made the initial payment in the amount of \$250,000.00, but failed to make the final payment in the amount of \$100,000.00.

9. Consequently, Defendants are in default under the terms of the Note.

10. Pursuant to the terms of the Note, in the event of a default, the principal amount of the Note, less any payments, would immediately be due and payable, together with interest equal to 10% per annum from the date of default until paid in full.

11. The Note executed by Defendants provided that, in the event interest or principal were not paid when due, authority was given to an attorney-at-law to appear on behalf of Defendants in any court and waive the issuance and service of process, and to further confess a judgment against them in favor of Choice for such amount as may be unpaid, and to further release all errors and waive all rights of appeal.

12. There remains due and owing to Choice on the Note the principal unpaid balance of One Hundred Thousand Dollars (\$100,000.00), plus interest at the rate of 10% per annum from October 18, 2024 through February 18, 2025, in the amount of Three Thousand Seven Hundred Twenty-Two Dollars and 22/100 (\$3,722.22), plus additional interest at the rate of 10% per annum from March 1, 2025 until paid.

WHEREFORE, Plaintiff Choice Hotels International, Inc. prays that the Court enter judgment in its favor and against Defendants Khan Hotel SD, LLC and Muhammad Zubair Khan in the amount of One Hundred Three Thousand Seven Hundred Twenty-Two Dollars and 22/100 (\$103,722.22) consisting of principal plus interest through February 28, 2025, continuing interest at the rate of 10% per annum from March 1, 2025, until paid, and court costs in the amount of Four Hundred Dollars (\$400.00).

Respectfully submitted,

/s/

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Attorney for Plaintiff
Choice Hotels International, Inc.